

AMENDED IN SENATE JUNE 13, 2006

AMENDED IN SENATE JULY 7, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

AMENDED IN ASSEMBLY APRIL 11, 2005

AMENDED IN ASSEMBLY FEBRUARY 7, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 84

Introduced by Assembly Members Leslie and Laird

January 5, 2005

An act to add Section 5060.1 to, and to add Article 8.6 (commencing with Section 5151) to Chapter 1 of Division 1 of, the Vehicle Code, relating to vehicles, *and* making an appropriation therefor, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 84, as amended, Leslie. Vehicles: specialized license plates.

Existing law requires the Department of Motor Vehicles to issue certain special interest license plates, including specific special environmental design license plates, in accordance with a specified procedure. Existing law requires, before special interest license plates may be issued, at least 7,500 applications for the special interest license plates to be received by the department.

This bill would prohibit the department from accepting an application for participation in a special interest license plate program and from issuing license plates for a new special interest license plate program.

The bill would establish a new specialized license plate program that would require the issuance of those license plates to have a design or contain a message that publicizes or promotes a state-~~or local~~ agency, as defined, or the official policy, mission, or work of a state-~~or local~~ agency. The bill would subject the issuance of those license plates to requirements, similar to certain of the requirements in current law governing special interest license plates. The bill would require the department, after deducting its administrative costs under these provisions, to deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of the specialized license plates in the Specialized License Plate Fund, which the bill would establish in the State Treasury. All money in the fund would be continuously appropriated to the Controller for allocation to each sponsoring agency, in proportion to the amount in the fund that is attributable to the agency's specialized license plate program. The bill would require the sponsoring agency to expend all funds received under these provisions exclusively for projects and programs that promote the state or local agency's official policy, mission, or work. ~~The bill would allow a state or local agency to designate a public or nonprofit agency to undertake its functions and duties of qualifying a particular program for the specialized license plate program. This bill would prohibit the department from issuing specialized license plates for state vehicles that are exempt from paying registration fees.~~

~~The bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The United States District Court for the Eastern District of
- 4 California in *The Women's Resource Network v. Steven Gourley*
- 5 (2004) 305 F. Supp. 2d 1145 permanently enjoined the Director
- 6 of the California Department of Motor Vehicles from issuing any
- 7 new special interest license plate to private, nonprofit
- 8 organizations under the current provisions of Section 5060 of the
- 9 California Vehicle Code, unless the state establishes "neutral

1 criteria to ensure that the plate licensing decision is not based on
2 the content or viewpoint of the speech being considered.”

3 (b) The court did not enjoin the Director of the Department of
4 Motor Vehicles from issuing any special interest license plate
5 that is government speech that promotes California’s state
6 policies.

7 (c) This bill intends to clarify the framework for specialized
8 license plates that contain only government speech, leaving the
9 issue of special interest license plates designed for the benefit of
10 private entities to other legislation.

11 (d) Revenue generated from special license plate programs
12 provides a positive way to supplement funding for important
13 governmental programs without any cost to the General Fund or
14 an increase in taxes.

15 SEC. 2. Section 5060.1 is added to the Vehicle Code, to read:

16 5060.1. Notwithstanding Section 5060 or any other provision
17 of law to the contrary, the department shall not accept an
18 application for participation in a special interest license plate
19 program under Section 5060 and shall not issue, under Section
20 5060, special interest license plates for a new program.

21 SEC. 3. Article 8.6 (commencing with Section 5151) is added
22 to Chapter 1 of Division 1 of the Vehicle Code, to read:

23
24 Article 8.6. Specialized License Plates
25

26 5151. (a) As used in this article, ~~the following terms have the~~
27 ~~following meanings:~~

28 (1) ~~“Local agency” means a city, county, city and county,~~
29 ~~district, public authority, or public agency in the state, or any~~
30 ~~other political subdivision or public corporation in the state, but~~
31 ~~does not include the state or a state agency.~~

32 (2) ~~“State~~ “State agency” means a state office, officer,
33 department, division, bureau, board, or commission, or any other
34 state body or agency.

35 (b) It is the intent of the Legislature that this article contain the
36 authority for specialized license plates for state ~~and local~~
37 agencies.

38 5152. A person described in Section 5101 may apply for a
39 specialized license plate under this article, in lieu of regular
40 license plates.

1 5154. Specialized license plates issued under this article shall
2 have a design or contain a message that publicizes or promotes a
3 state-~~or local~~ agency, or the official policy, mission, or work of a
4 state-~~or local~~ agency.

5 5155. The design criteria for a specialized license plate are as
6 follows:

7 (a) The license plate for a passenger vehicle, commercial
8 vehicle, or trailer shall provide a space not larger than two inches
9 by three inches to the left of the numerical series and a space not
10 larger than five-eighths of an inch in height below the numerical
11 series for a distinctive design, decal, or descriptive message as
12 authorized by this article. The license plates shall be issued in
13 sequential numerical order or, pursuant to Section 5103, in a
14 combination of numbers or letters.

15 (b) Specialized license plates authorized under this article may
16 be issued for use on a motorcycle. That license plate shall contain
17 a five-digit configuration issued in sequential numerical order or,
18 pursuant to Section 5103, in a combination of numbers or letters.
19 There shall be a space to the left of the numerical series for a
20 distinctive design or decal and the characters shall contrast
21 sharply with the uniform background color. A motorcycle plate
22 containing a full plate graphic design is not authorized.

23 (c) Specialized license plates may be issued as environmental
24 license plates, as defined in Section 5103.

25 5156. (a) ~~(1)~~ A state-~~or local~~ agency may apply to the
26 department to sponsor a specialized license plate program, and
27 the department shall issue specialized license plates for that
28 program, if the agency complies with all of the requirements of
29 this article.

30 (2) *The department shall not issue specialized license plates to*
31 *a state agency for a vehicle that is exempt from the payment of*
32 *registration fees pursuant to Section 9101 or 9103.*

33 (b) The department shall not establish a specialized license
34 plate program for an agency until the department has received
35 not less than 7,500 applications for that agency's specialized
36 license plates. The agency shall collect and hold applications for
37 the plates. Once the agency has received at least 7,500
38 applications, it shall submit the applications, along with the
39 necessary fees, to the department. The department shall not issue
40 a specialized license plate until the agency has received and

1 submitted to the department not less than 7,500 applications for
2 that particular specialized license plate within the time period
3 prescribed in this section. Advance payment to the department by
4 the agency representing the department's estimated or actual
5 administrative costs associated with the issuance of a particular
6 specialized license plate shall not constitute compliance with this
7 requirement. The agency shall have 12 months, following the
8 date of approval of the agency's initial application to sponsor a
9 specialized license plate program, to receive the required number
10 of applications. If, after that 12 months, 7,500 applications have
11 not been received, the agency shall immediately do either of the
12 following:

13 (1) Refund to all applicants all fees or deposits that have been
14 collected.

15 (2) Contact the department to indicate the agency's intent to
16 undertake collection of additional applications and fees or
17 deposits for an additional period, not to exceed 12 months, in
18 order to obtain the minimum 7,500 applications. If the agency
19 elects to exercise the option under this subparagraph, it shall
20 contact each applicant who has submitted an application with the
21 appropriate fees or deposits to determine if the applicant wishes a
22 refund of fees or deposits or requests the continuance of the
23 holding of the application and fees or deposits until that time that
24 the agency has received 7,500 applications. The agency shall
25 refund the fees or deposits to an applicant so requesting. The
26 agency shall not collect and hold applications for a period
27 exceeding 24 months following the date of approval of the
28 agency's initial application to sponsor a specialized license plate
29 program.

30 (c) (1) If the number of outstanding and valid specialized
31 license plates in any particular program provided for in this
32 article is less than 7,500, the department shall notify the
33 sponsoring agency of that fact and shall inform the agency that if
34 that number is less than 7,500 one year from the date of that
35 notification, the department will no longer issue or replace those
36 specialized license plates.

37 (2) Those particular specialized license plates that were issued
38 prior to the discontinuation provided by paragraph (1) may
39 continue to be used and attached to the vehicle for which they

1 were issued and may be renewed, retained, or transferred
2 pursuant to this code.

3 ~~(d) A state or local agency may designate a public or a~~
4 ~~nonprofit agency to undertake the functions and duties of the~~
5 ~~state or local agency under subdivision (b).~~

6 5157. (a) In addition to the regular fees for an original
7 registration or renewal of registration, the following additional
8 fees shall be paid for the issuance, renewal, or transfer of the
9 specialized license plates:

10 (1) For the original issuance of the plates, fifty dollars (\$50).

11 (2) For a renewal of registration with the plates, forty dollars
12 (\$40).

13 (3) For transfer of the plates to another vehicle, fifteen dollars
14 (\$15).

15 (4) For each substitute replacement plate, thirty-five dollars
16 (\$35).

17 (5) In addition, for the issuance of environmental license
18 plates, as defined in Section 5103, with a specialized license
19 plate design, the additional fees prescribed in Sections 5106 and
20 5108. The additional fees prescribed in Sections 5106 and 5108
21 shall be deposited in the California Environmental License Plate
22 Fund.

23 (b) Except as provided in paragraph (5) of subdivision (a), and
24 after deducting its administrative costs under this section, the
25 department shall deposit the additional revenue derived from the
26 issuance, renewal, transfer, and substitution of the specialized
27 license plates in the Specialized License Plate Fund, which is
28 hereby established in the State Treasury. Notwithstanding
29 Section 13340 of the Government Code, all money in the fund is
30 hereby continuously appropriated, without regard to fiscal years,
31 to the Controller for allocation to each sponsoring agency, in
32 proportion to the amount in the fund that is attributable to the
33 agency's specialized license plate program. Except as authorized
34 under Section 5159, the sponsoring agency shall expend all funds
35 received under this section exclusively for projects and programs
36 that promote the state ~~or local~~ agency's official policy, mission,
37 or work.

38 5158. When payment of renewal fees is not required as
39 specified in Section 4000, or when a person determines to retain
40 the specialized license plate upon a sale, trade, or other release of

1 the vehicle upon which the plate has been displayed, the person
2 shall notify the department and the person may retain and use the
3 plate as authorized by department regulations.

4 5159. A state ~~or local~~ agency that is eligible to participate in
5 a specialized license plate program pursuant to this article and
6 receives funds from the additional fees collected from the sale of
7 specialized plates shall not expend annually more than 25 percent
8 of those funds on administrative costs, marketing, or other
9 promotional activities associated with encouraging application
10 for, or renewal of, the specialized plates.

11 5160. (a) A state ~~or local~~ agency authorized under this article
12 to offer specialized license plates shall prepare and submit an
13 annual accounting report to the department by June 30. The
14 report shall include an accounting of all revenues and
15 expenditures associated with the specialized license plate
16 program.

17 (b) If a state ~~or local~~ agency submits a report pursuant to
18 subdivision (a) indicating that the agency violated the
19 expenditure restriction set forth in Section 5159, the department
20 shall immediately cease depositing fees for that agency's
21 ~~specified~~ *specialized* license plate program in the Specialized
22 License Plate Fund established under Section 5157 and, instead,
23 shall deposit those fees that would have otherwise been deposited
24 in that fund in a separate fund created by the Controller, which
25 fund is subject to appropriation by the Legislature. The
26 department shall immediately notify the agency of this course of
27 action. The depositing of funds in the account established
28 pursuant to this paragraph shall continue until the agency
29 demonstrates to the satisfaction of the department that the agency
30 is in compliance or will comply with the requirements of Section
31 5159. If one year from the date that the agency receives the
32 notice described in this paragraph, the agency is still unable to
33 satisfactorily demonstrate to the department that it is in
34 compliance or will comply with the requirements of Section
35 5159, the department shall no longer issue or replace those
36 specialized license plates associated with that agency. Those
37 particular specialized license plates that were issued prior to the
38 discontinuation provided by this subdivision may continue to be
39 used and attached to the vehicle for which they were issued and
40 may be renewed, retained, or transferred pursuant to this code.

1 (c) Upon receiving the reports required under subdivision (a),
2 the department shall prepare and transmit an annual consolidated
3 report to the Legislature containing the revenue and expenditure
4 data.

5 SEC. 4. (a) If Senate Bill 651 is not enacted during the
6 2005–06 Regular Session, or is enacted during that session but
7 does not establish a special interest license plate program,
8 Sections 2 and 3 of this act shall become operative on the
9 effective date of this act.

10 (b) If Senate Bill 651 is enacted during the 2005–06 Regular
11 Session and establishes a special interest license plate program,
12 Sections 2 and 3 of this act shall not become operative, except as
13 required under subdivision (c).

14 (c) If Senate Bill 651 is enacted during the 2005–06 Regular
15 Session and establishes a special interest license plate program,
16 but that program is later held to be unconstitutional, or is
17 otherwise rendered inoperative, by the final judgment of a court
18 of competent jurisdiction, Sections 2 and 3 of this act shall
19 become operative on the effective date of that judgment.

20 ~~SEC. 5. This act is an urgency statute necessary for the~~
21 ~~immediate preservation of the public peace, health, or safety~~
22 ~~within the meaning of Article IV of the Constitution and shall go~~
23 ~~into immediate effect. The facts constituting the necessity are:~~

24 ~~In order to provide, at the earlier possible time, supplemental~~
25 ~~funding for important new governmental programs, such as the~~
26 ~~Sierra Nevada Conservancy, without any cost to the General~~
27 ~~Fund or an increase in taxes, it is necessary that this act take~~
28 ~~effect immediately.~~